

MACQUARIE CAPITAL
PUBLIC PRIVATE PARTNERSHIPS



CHARTING A COURSE FOR
P3 SUCCESS



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Macquarie: a PPP leader



WORLD LEADER IN PPPs

- Approximately 650 infrastructure professionals in 16 countries (Advisory)
- Broad experience in project development and advisory
- Has 43 infrastructure and real estate funds under management with A\$97BN AUM or A\$38B EUM

NORTH AMERICAN LEADER IN PPP DEVELOPMENT

- Macquarie acted as Financial Advisor and Investor in the first Brownfield PPP (Chicago Skyway)
- Macquarie acted as Financial Advisor and Investor in the first Greenfield PPP (South Bay Expressway)
- Macquarie acted as Financial Advisor in the first issuance of PABs for a toll road (I-595)
- Macquarie acted as developer in the first transit PPP in the US (Denver FasTracks)



Chicago Skyway



Southbay Expressway



Denver FasTracks

RECOGNIZED LEADER: RECENT INDUSTRY AWARDS



Selected transaction awards

- North America Transport Deal of the Year, 2009 *Project Finance Magazine* - I595
- Transport Deal of the Year, 2009 *Infrastructure Journal* – North Tarrant Expressway
- P3 Deal of the Year, 2009 *Project Finance International* – Port of Miami Tunnel
- 2009 (Victoria Desal)
- North America PPP Deal of the Year, 2009 *Project Finance International* – Victoria Desalination
- Global Deal of the Year, 2009 *Infrastructure Journal* – Victoria Desalination
- Global PPP Deal of the Year, 2009 *Infrastructure Journal* – Victoria Desalination
- Financial Excellence, 2009 *Infrastructure Partnerships Australia* – Victoria Desalination



Pioneering infrastructure investor and advisor



PIONEERING INFRASTRUCTURE ADVISOR

- Macquarie Capital has a track record of developing unique and innovative financing solutions for clients and is at the forefront of the infrastructure industry globally

16.3%

Global PPP market share¹

Infrastructure highlights

- First two availability payment transportation PPPs in the United States (Interstate 595, Port of Miami Tunnel)
- First transit PPP in the United States (Denver FasTracks)
- The only traffic-risk road concession to complete financing in the United States in 2009 (North Tarrant Expressway)
- Largest PPP project globally in 2009 (Victorian Desalination Plant)
- Largest windfarm project financing in Australia (Hallett 4)
- Largest ever airport refinancing (BAA)
- Largest ever public PPP in Germany (A1 Hamburg- Bremen road project)
- Largest refinancing achieved in South Africa (Bakwena)
- Largest electricity generation privatisation in 2008, refinanced in 2009 (Senoko Power)

1. *2009 global PPP market share Dealogic

2. Based on proportionate enterprise value, calculated as proportionate net debt and equity value at most recent valuation date, 31 December 2009 for the majority of assets.

LEADING INFRASTRUCTURE INVESTOR

- Macquarie Infrastructure and Real Assets (MIRA), formerly Macquarie Capital Funds, manages approximately 100 assets in 25 countries worth almost A\$97 billion. MIRA has established new infrastructure funds in India, Mexico and Russia, in addition to large, already established funds in Australia, the US and Europe

Macquarie represents

22%

of total infrastructure direct investment capital formed over the past five years.

No.1 in infrastructure investment

No.	Investor	5-year capital creation total (US\$m)*
1	Macquarie	\$30,655.0
2	Goldman Sachs	\$9,100.0
3=	Alinda Capital Partner	\$7,000.0
3=	Industry Funds Management	\$7,000.0
5	Ontario Municipal Employees Retirement System	\$6,221.9

Source: Infrastructure Investor 30



Why P3s?

BENEFITS OF PPPs



PPPs SAVE TAXPAYERS TIME AND MONEY

Taxpayer savings

300
million

335
million

300
million

Time

11
months

63.8
years

15
years



Why P3s?

RISK TRANSFER



A KEY BENEFIT FROM A PPP INVOLVES RISK TRANSFER FROM THE PUBLIC SECTOR TO THE PRIVATE CONCESSIONAIRE.

Public Sector Risks

Timing

Budget

Traffic

Changing Industry Standards

O&M

Technology

Private Sector

Timing

Budget

Traffic

Changing Industry Standards

O&M

Technology



I-595 Corridor Improvements



LOCATION



KEY DETAILS

Description

- Construction of 10.5 miles of three reversible express toll lanes and upgrade of existing general purpose lanes
- Located in Broward County, Florida
- Construction Completion Payments from FDOT totaling \$685 million from 2014-2018
- Availability Payments from FDOT after Substantial Completion
- Sponsor bid the lowest Maximum Availability Payment
- 30% of Monthly Availability Payment escalates at CPI, 70% escalated at a fixed rate of 3% p.a.
 - The 30% of the monthly availability payment escalated at CPI represents the percentage of the annual payment linked to operating expenditures



OVERVIEW

- | | |
|------------------|----------------------------------|
| Length | ■ 10.5 miles |
| Concession Type | ■ Availability payment |
| Concession Term | ■ 35 years from financial close |
| Financial Close | ■ March 3, 2009 |
| Equity Investors | ■ ACS Infrastructure Development |
| Enterprise Value | ■ US \$1,667m |

I-595 REPRESENTED THE FIRST AVAILABILITY PAYMENTS ROAD PPP IN THE UNITED STATES



Port of Miami Tunnel



LOCATION



KEY DETAILS

Description

- Project includes a 1.3km tunnel connecting Watson Island to Dodge Island;
 - widening of the MacArthur Causeway Bridge; and
 - connections to the Port of Miami roadway system
- Second AVP transportation PPP in the US
- Bouygues Construction as DB Contractor, Meridiam Infrastructure as financial Sponsor, and the Florida Department of Transportation (FDOT) as Grantor of the Concession
- 32% Monthly Availability Payment escalates at CPI, 68%% escalated at a fixed rate of 3% p.a.
 - The 32% of the monthly availability payment escalated at CPI represents the percentage of the annual payment linked to operating expenditures

OVERVIEW

Length	■ Approximately 0.8m tunnel
Concession type	■ Availability Payment
Concession term	■ 35 years from financial close
Financial close	■ October 15, 2009
Equity investors	■ Meridiam Infrastructure and Bouygues
Enterprise value	■ US \$903 million

PORT OF MIAMI TUNNEL WAS THE SECOND AVAILABILITY PAYMENTS PPP IN THE UNITED STATES



Denver FasTracks Eagle P3



Location

Denver,
Colorado



Key Details

Project Overview

- Denver FasTracks Eagle P3 involves the design, construction and operation of three commuter rail lines in the Denver metropolitan area with anticipated construction completion in 2016
- Denver Transit Partners, with Macquarie as project sponsor, developer and financial adviser, achieved financial close August 2010
- The project has capital costs of US\$2.0bn including provision of rolling stock and is delivered as DBFM with long-term availability payments

Quality: The Design Build contractor will design, construct, and supply all systems components and rolling stock as single turnkey contract, thus providing a single point of responsibility for delivering a fully integrated rail network

Affordability: The proposal incorporated 17 Alternative Technical Concepts, which offer innovation, flexibility, and savings in both construction time and cost, as well as O&M savings through overall life-cycle cost analysis

Accelerated Schedule: The proposal completes all three commuter rail lines ahead of schedule with the East Corridor opening nearly one year earlier

Local Resources: The proposal intends maximizes the use of local resources and encourages the participation of small/disadvantaged businesses

Overview

Distance	23.5 mi
Cost	US\$ 2.0bn
Financial Close	August 2010
Completion	2016
Type	Availability Payments

DENVER FASTRACKS EAGLE P3 REPRESENTED THE UNITED STATES' FIRST MASS TRANSIT PPP PROJECT

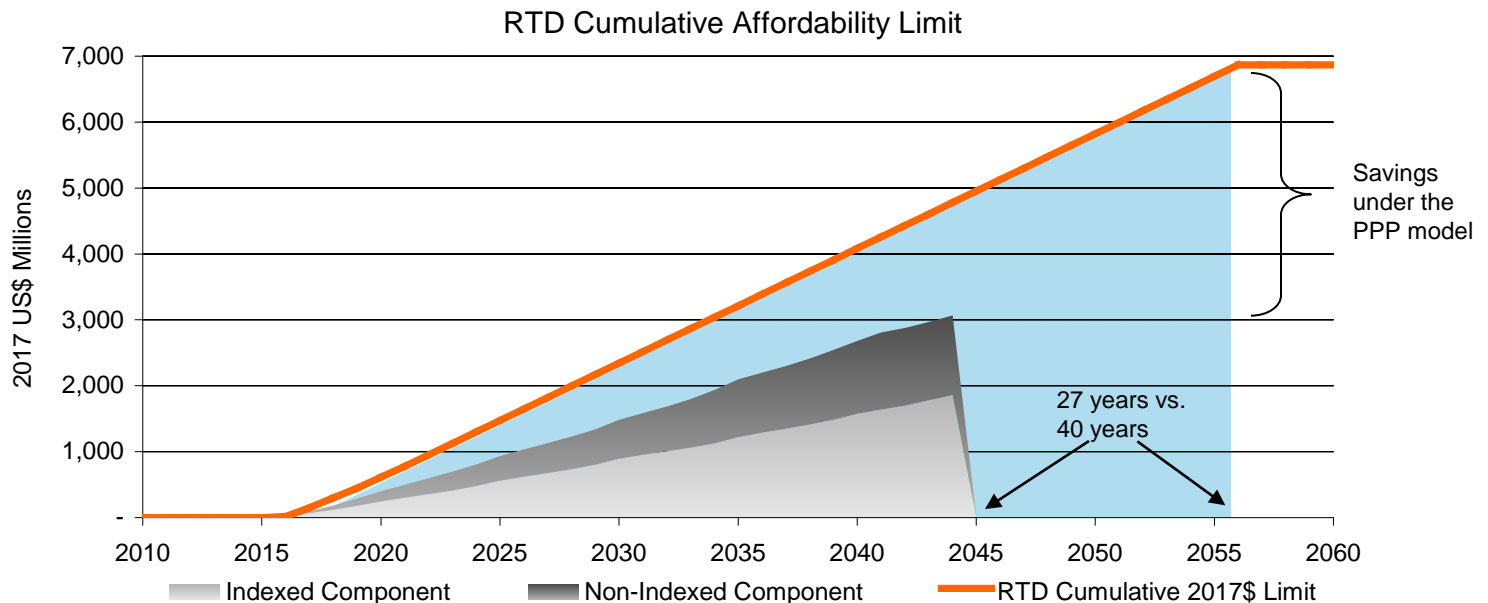


Denver FasTracks Eagle P3



PPP LOCKS IN ALMOST \$3 BILLION (\$2017) OF SAVINGS, RELATIVE TO DENVER RTD's "AFFORDABILITY LIMIT"

- Significant savings were realized for the project compared against the base case Cumulative Affordability Limit profile expected by the RTD
- The original expectation for the RTD was that the project would need a 40 year operating concession. Denver Transit Partners delivered a 27 year solution.





PPP Checklist



- Clear goals and selection criteria
- Predictable process
- Champion
- Project need
- Opportunity to innovate
- Opportunity to transfer risk

